

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Argentina

Oilseeds and Products Update

February 2013

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Report Highlights:

Soybean planted area and production for marketing year 2012/13 are adjusted downwards to 19.35 million hectares and 50 million metric tons, respectively. The hot and dry weather that lasted from mid-December through mid-February has caused yield losses that most likely will not recover even with rains forecast for the coming week. There are no changes for sunflowerseed or peanut production for MY2012/13.

Post:

Buenos Aires

Commodities:

Oilseed, Soybean (Local)

Author Defined:**Soybeans:**

Soybean area is reduced by 150,000 hectares to 19.35 million hectares bringing Post's 2012/13 estimation in-line with the Ministry of Agriculture's forecast. Since last month, planting advanced in many of the remaining areas: Catamarca, Corrientes, Formosa, Santiago del Estero, Tucuman, in the northern areas of Cordoba and La Pampa. According to the Ministry of Agriculture's weekly report, 19,302,580 hectares had been planted as of February 21, 2013.

During the past couple of weeks there have been rain showers throughout the country, however they have been sporadic and have not replenished all the needed soil moisture in the growing region. In the northern area of Argentina, which has suffered drought throughout this whole growing season, much of the damage is irreversible. For the early planted soy in the southern Santa Fe, Cordoba and northern Buenos Aires province, the rain came too late. Pods were aborted during the driest part of the season and now they are already in the seed filling stage. Contacts estimate that in this case, plants that would previously yield 4 kilos/hectare are now expected to yield 2.5 kilos/hectare, nearly a 40 percent drop. For the late planted soy that is emerging now, the heavy rains are causing excess soil humidity. Furthermore, like the previous season, late planted soybeans are at risk of early frosts. This week there were low temperatures reported in the province of Buenos Aires, and the weather forecast is predicting more low temperatures in the next two weeks for the same area.

For the soybeans that are currently flowering and developing pods, good news is on the way. According to the Buenos Aires Grain Exchange' weekly weather report, a lot of rain is coming in the next couple of weeks. In the eastern part of the country and over much of the growing region, heavy rainfall is expected. In the western part of the country, moderate rainfall and in the northern areas, minimal rain. Heavy winds and hail are also forecast in some spots.

With different stages of growth and different levels of soil moisture all over the country, what happens with rains and frosts through the rest of the growing season will determine if 50 MMT remains a viable production number. Many private contacts are maintaining lower estimates ranging from 45 MMT to 50 MMT. The Buenos Aires Grain Exchange estimates production at 48.5 MMT and the Rosario Grain Exchange is forecasting 48 MMT.

Exports and crush for MY2012/13 are also adjusted downward based on the lowered production estimate.

Sunflowerseed:

Oilseed, Soybean (Local) Argentina	2010/2011		2011/2012		2012/2013	
	Market Year Begin: Apr 2011		Market Year Begin: Apr 2012		Market Year Begin: Apr 2013	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	18,300	18,300	18,600	18,600	19,500	19,350
Area Harvested	18,300	18,300	17,577	17,577	19,500	19,350
Beginning Stocks	4,507	4,507	4,022	4,022	3,080	3,080
Production	49,000	49,000	40,100	40,100	53,000	50,000
MY Imports	13	13	1	1	0	0
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from EU	0	0	0	0	0	0
Total Supply	53,520	53,520	44,123	44,123	56,080	53,080
MY Exports	10,389	10,389	6,175	6,175	10,950	10,000
MY Exp. to EU	35	35	35	35	50	50
Crush	37,509	37,509	33,240	33,240	39,000	38,000
Food Use Dom. Cons.	0	0	0	0	0	0
Feed Waste Dom. Cons.	1,600	1,600	1,628	1,628	1,650	1,650
Total Dom. Cons.	39,109	39,109	34,868	34,868	40,650	39,650
Ending Stocks	4,022	4,022	3,080	3,080	4,480	3,430
Total Distribution	53,520	53,520	44,123	44,123	56,080	53,080
1000 HA, 1000 MT						